GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2506
ANSWERED ON:10.03.2000
PRICE RIGGING IN BSE
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Will the Minister of FINANCE be pleased to state:

(a) whether massive price rigging in low caps stocks have taken place in Mumbai Stock Exchange;

(b)if so, whether the companies which have no trading for the past two to four years, who quoted at Rs. 10 have zoomed to Rs. 20 to Rs. 120.

(c)if so, whether the President of the Investors` Grievances Forum, represented to the Finance Ministry in this regard;

(d)if so, the steps are being taken by SEBI, the Stock Exchanges and Government;

(e)whether the small investors are being cheated due to this price rigging;

(f)if so, whether any enquiry has been ordered for such price rigging; and
(g) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : The rise in stock prices have been quite widespread due to the overall bullish sentiment in the stock markets and also due to global influence of stock markets, which have been on the rise. Further, a general expectation of positive economic performance and the expectation of increased interest of foreign investors in Indian markets have also played a role in the rise of stock prices in most sectors.

(c) to (g) : The President of the Investors` GrievancesForum has represented to the Ministry ofFinance in this regard. SEBI has informed that, from time to time, it has alerted the stock exchanges to keep a close watch over the market and take proactive actions when required. The exchanges have informed SEBI of the variousactions initiated by them including imposition of higher margins, reduction in circuit filters. SEBI hasalso cautioned investors by way of press releases to exercise caution and take care while transacting in securities.